

**Before the State of South Carolina
Department of Insurance**

In the matter of:

Western Diversified Casualty Insurance
Company

25 West Main Street, #300
Madison, Wisconsin 53703.

SCDI File Number 2001-108727

**Consent Order
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Western Diversified Casualty Insurance Company, an insurer licensed to transact insurance business within the State of South Carolina.

Western Diversified Casualty hereby admits, and I find as fact, that it failed to timely file its June 2001 Quarterly (annual adjusted) Tax Return Installment. This insurer previously also had failed to timely file tax return installments with the Department. Western Diversified Casualty maintains its actions were not intended to violate South Carolina law and that it attempted to have its tax return installment mailed by the statutory deadline.

Rather than contest this matter, Western Diversified Casualty and the Department have agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that Western Diversified Casualty would waive its right to a public hearing and would submit an administrative penalty to the Department in the total amount of \$5,000.

Section 38-7-60(3) of the South Carolina Code in pertinent part states, "premium and other taxes imposed on insurers pursuant to Sections 38-7-20, 38-7-30, 38-7-40, 38-7-50, and 38-7-90 must be paid to the Director or his designee in quarterly installments on or before March first, June first, September first, and December first of each calendar year." Sections 38-7-60 (4) and 38-5-120 (A) (2) (Supp. 2000) allow the Director of Insurance to impose disciplinary action against an insurer that does not comply with South Carolina's insurance laws.

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law that Western Diversified Casualty did comply with S.C. Code Ann. § 38-7-60(3) (Supp. 2000). Accordingly, I hereby impose an administrative penalty in the amount of \$5,000 against Western Diversified Casualty pursuant to the discretion provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2000). Western Diversified Casualty paid that amount to the Department on July 19, 2001 in good faith.

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GENERAL COUNSEL

Western Diversified
Casualty Insurance Company

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STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

The parties have reached this administrative penalty as a result of negotiation and compromise, and in consideration of the internal corrective internal measures Western Diversified Casualty has implemented to prevent this problem from recurring and of Western Diversified Casualty's assurance that it will timely file each of its future tax returns with the Department. This penalty includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code. The parties expressly agree and understand Western Diversified Casualty's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, Western Diversified Casualty acknowledges that it understands that this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2000), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

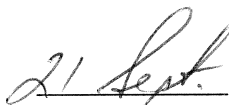
It is, therefore, ordered that Western Diversified Casualty Insurance Company shall pay through the Department an administrative penalty in the total amount of \$5,000. The company's previous payment of that amount as discussed above satisfies this requirement.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.



Ernst N. Csiszar
Director

, 2001
Columbia, South Carolina

Western Diversified
Casualty Insurance Company

I CONSENT:

Mark Downer
Signature of Authorized Representative

MARK DOWNER
Name

ASSISTANT SECRETARY
Title
Western Diversified Casualty Insurance Company
25 West Main Street, #300
Madison, Wisconsin 53703

Dated this 21 day of August, 2001

MARIE E. DUFF
Notary Public - State of Missouri
County of Jefferson
My Commission Expires 01/08/2002